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ACTION WHA-00

INFO	LOG-00	NP-00	AID-00	CIAE-00	INL-00	DODE-00	DOEE-00
	DS-00	VC-00	H-00	TEDE-00	INR-00	LAB-01	L-00
	CAC-00	VCE-00	AC-00	NSAE-00	OIG-00	OMB-00	PA-00
	PM-00	PRS-00	ACE-00	P-00	CFPP-00	FMPC-00	SP-00
	SSO-00	TRSE-00	ECA-00	IIP-00	PMB-00	DSCC-00	PRM-00
	DRL-00	G-00	FDIC-01	NFAT-00	SAS-00	/002W	

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FM AMEMBASSY CARACAS

TO SECSTATE WASHDC IMMEDIATE 7643

INFO AMEMBASSY BOGOTA PRIORITY

AMEMBASSY LA PAZ PRIORITY

AMEMBASSY LIMA PRIORITY

AMEMBASSY QUITO PRIORITY

HQ USSOUTHCOM MIAMI FL PRIORITY

NSC WASHDC PRIORITY

USINT HAVANA PRIORITY

RELEASED IN PART  
B1, 1.4(D)

C O N F I D E N T I A L CARACAS 002840

NSC FOR CBARTON

USCINCSO ALSO FOR POLAD

STATE PASS USAID FOR DCHA/OTI

E.O. 12958: DECL: 09/04/2014

TAGS: PGOV, KDEM, PHUM, VE

SUBJECT: VENEZUELA: OPPOSITION FIGHTS BACK ON FRAUD

REF: A. CARACAS 2730

B. CARACAS 2817

C. CARACAS 2759

Classified By: Abelardo A. Arias, Political Counselor,  
for Reasons 1.4(d).-----  
Summary  
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1. (C) Opponents of President Hugo Chavez put forward their preliminary findings of the investigation of alleged fraud during the August 15 presidential recall referendum September 8. Lawyer Tulio Alvarez, presenting a 70-page preliminary report, noted irregularities in all stages of the referendum process and called for a legal challenge of the official results. He gave the report to Coordinadora Democratica Leader Enrique Mendoza, who publicly re-emerged September 7,

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for use with the National Electoral Council (CNE). Harvard professor Ricardo Hausmann, working with the NGO Sumate, revealed statistical inconsistencies in the results that, in his view, confirm the presence of fraud in the referendum September 5. The GOV rejected the allegations, saying the Coordinadora confused "speculation" with evidence, and suggested that the opposition is living in a fantasy land.

B1

summary.

### ----- Mendoza Back on the Scene -----

2. (U) Opponents of President Hugo Chavez bolstered their attacks against the government over alleged fraud in the August 15 recall referendum beginning September 5. After weeks of low visibility, Coordinadora Democratica leader and Miranda State Governor Enrique Mendoza appeared on a taped televised address September 7 in which he recounted the history of the impediments the opposition faced in getting to the referendum and described some early fraud theories (ref a). Mendoza claimed the National Electoral Council (CNE) had intentionally slowed down the voting system on referendum day so as keep the number of votes low, which he said favored Chavez. Mendoza said his presentation was the first report of "substantiated hypotheses" that are coming to light. He said there are other "traces of fraud," but cautioned that the Coordinadora would not reveal everything it knew to prevent the GOV from destroying evidence.

### ----- Alvarez Alleges Institutional Fraud -----

3. (U) Working on behalf of the Coordinadora, constitutional lawyer Tulio Alvarez released on September 8 the preliminary report of fraud allegations compiled by a multi-disciplinary team of 40 experts in 14 fields (refs b and c). Alvarez recounts the weakening of the CNE and Supreme Court by the Chavez administration, the CNE's rejection of the first petition signature drive results, and CNE's biased handling of the second petition drive. The report is critical of the Carter Center's handling of its observation mission during the referendum and subsequent audit, calling the mission's

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performance on the latter "insufficient, superficial, even irresponsible."

4. (U) Alvarez asserts that the GOV issued identity cards illegally to pad voter rolls. Alvarez charged that the electoral registry increase of 1.8 million voters between March and July 2004 was unprecedented. He alleged some 300,000 of these new voters are non-existent and indicative of GOV manipulation. Alvarez contrasted the growth in the electorate with population growth and the population of localities. He said he had documented more than 100 municipalities, mostly in areas where manual vote counts were used, where registered voters ranged from 80 to 150 percent of the actual population.

5. (U) The Alvarez report includes information from logs of CANTV, the privatized national telecommunications company that operated the automated electoral system's network on August 15. CANTV, Alvarez asserts, recorded two-way transmissions between the voting machines and the CNE's main server in Caracas, which he said implies the machines' results could have been altered. He said the data transmission -- both incoming and outgoing -- were notably different, an oddity given the machines were transmitting similar information. He also said the CANTV logs show communication between the CNE and some voting machines as early as 7 a.m. on election day, which is prohibited by law until after polls close.

6. (U) Alvarez recommended that the Coordinadora: contest the referendum results based on the manipulation of the electoral registry, which if legally successful would nullify the referendum results; and refuse to participate in future elections utilizing the automated system until fundamental changes are made. Alvarez also called on international organizations to oversee an audit of Venezuela's national identity card system, and suggested the application of the Foreign Corrupt Practices Act against Smartmatic (based in Florida) and CANTV (whose controlling investor is Verizon).

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Hausmann Concludes There Must Be Fraud  
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7. (U) Separately, Harvard Professor Ricardo Hausmann and MIT Professor Roberto Rigobon (both Venezuelan citizens and pro-opposition) analyzed the referendum results, crossing them with data from two August 15 exit polls (that gave a landslide win to the "Si") and the Reafirmazo signature drive in November 2003. Hausmann, who presented the results at a

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Sumate press conference, used statistical methods to conclude that if the voting results were manipulated, it would have to have been committed at level of the voting center, not at each voting machine within a particular center. He also said he found that the manipulation was not applied evenly to every voting center. Such manipulation, he theorizes, could only have been coordinated as a central point such as the CNE's tallying room, which was closed to international observers during all but the last moments of the election. The study also claims the 150 machines audited by the Carter Center and CNE on August 18 were not/not a random sample. Hausmann said the 150 audited machines delivered 10 percent more votes for the "Si" than the universal results, a result that has a less-than-one-percent chance of occurring randomly.

### ----- GOV Calls It A Fantasy World -----

8. (C) Samuel Moncada, member of the pro-Chavez campaign committee Comando Maisanta, immediately rejected the Alvarez report, calling it a re-hash of old news that confuses speculation with evidence. He accused the opposition of being against poor people voting in elections. Moncada called the report's attack on the naturalization of foreigners "deeply xenophobic." Vice President Jose Vicente Rangel called the report "fiction" designed to cover the Coordinadora's grand defeat. The opposition would have to perform magic to justify its claims, he said, adding that the Coordinadora had entered into a fantasy world. He argued that there was no fraud on August 15 and those who allege it have no sense. He called on the opposition be sincere, serious, and capable of accepting their defeat.

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Comment  
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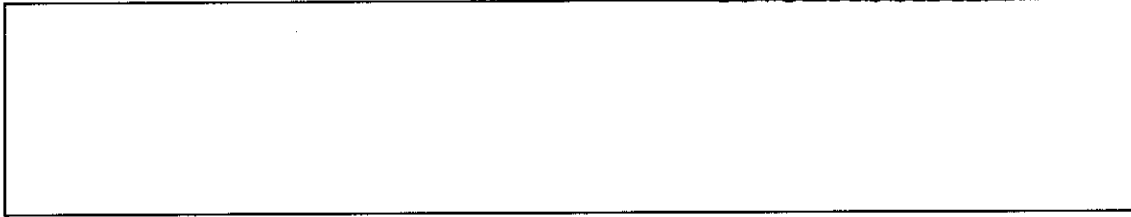
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